



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

September 30, 2009

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MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Frederick W. Schindler /s/ Clinton H. Russell (*for*)
Director, Collection Policy

SUBJECT: Re-issuance of Interim Guidance on Processing of Installment
Agreements with an –A Freeze Code Indicator Present on a
Module

The purpose of this memorandum is to re-issue interim guidance (SBSE-05-0708-038) for processing of Installment Agreements (IA) where an –A Freeze is present on a module. This memorandum revises and clarifies the Internal Revenue Manual (IRM) 5.14, Installment Agreements. The affected section of IRM 5.14.1, Securing Installment Agreements, will be revised to include the information in this memorandum. Please ensure that this information is distributed to all affected employees in your organization.

IRM 5.14 has previously been silent as to how to handle the processing of accounts where an –A Freeze is present on a module. IRM 5.14.1.4.3(4), Increases, Decreases, Varied Payment Amounts, Completing and Processing Installment Agreements, will be updated to clarify the processing procedures as follows:

Accounts with –A Freeze code indicators in the modules cannot be placed into installment agreement status. These –A freeze codes will need to be resolved prior to granting the agreement.

An –A Freeze is generated on a module when the taxpayer files a duplicate or amended return with a Campus processing center. For the IA command codes, a module cannot be placed into installment status when the Claim-Pending-Indicator is set. One of the conditions that set the indicator is the –A Freeze (duplicate or amended return filing). The freeze code allows the amended or duplicate return to post and adjust the account prior to the IRS granting an IA. This process is necessary to determine if an IA is appropriate and if so whether any special considerations are needed.

When a revenue officer receives an amended or duplicate return on a BAL DUE, procedures in IRM 5.1.15, Abatements, Reconsiderations and Adjustments, should be followed prior to submission of the installment agreement for approval and processing. This IRM outlines very specifically that these returns should be processed through Centralized Case Processing (CCP) via a Form 3870, Request for Adjustment, versus being sent to a Campus on the revenue officer's Form 795, Daily Report of Collection Activity. By following the procedures outlined in IRM 5.1.15, the –A Freeze will NOT generate on the affected module(s). Once CCP completes the adjustment process, the IA request can be submitted for approval and input into ST60.

If you have any questions, please feel free to contact me, or a member of your staff may contact Senior Analyst, Ann Marie Bushong.

cc: Director, Collection
Director, Campus Collection Compliance
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